

What is Real Estate Development Act, 2017? Business expert explains

The Real Estate (Regulation and Development) Act, 2017 also known as RERA, came into effect in 2016 originally but those were 59 sections out of the 92 and the rest were implemented on 1st May 2017. The act aims at smoothening all the bumps that the real estate sector faced over the years and it's essential to understand the act so as to know your rights as a consumer or even a promoter.



Here's how a **business expert** would break it down for you.

Why was RERA needed?

Any **business coach** would note that the real estate sector was mostly an unorganized entity. There was no regulatory body to maintain a structure and assure compliance. Although there was the Customer Protection Act, 1986 to look at customer grievances, it wasn't enough to address all the problems of the buyers and promoters.

The aims behind the Act

The main aim behind RERA as explained by a **business mentor** is basically to give the sector a structure and reduce any malpractices that have been taking place over the years. Under RERA, the rights of both the customers and sellers will be looked after. In essence, it standardizes all the procedures, business practices and transactions that take place in the sector.



The major aspects and their benefits

To begin with, the act provides specific definitions for a lot of the terms under real estate so as to prevent anyone from taking undue advantage of any person/situation. Other than that, every state has the discretion to create their own real estate laws but only according to the guidelines of the act. All states are also required to have their own regulatory authorities that centralize all of the processes; there'll be a single window system where builders don't have to go to different places to get different kinds of approvals, it can all be done in one place. This would also lead to timely approvals which are also one of the laws of the act, disputes can be cleared easier and processes will be faster than what they used to be.

Conclusion

- There never was a centralized structure in the real estate sector and there was a lot of scope for malpractices.
- RERA aims at providing a centralized structure so as to avoid any bumps during a buyer-seller interaction.
- States now have their own real estate laws and regulatory authorities that make the processes faster and help solve grievances for both the customer and the seller.

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